

Draft Action/Summary Minutes
City of Sedona
Wastewater Effluent Disposal & Land Use Task Force (WEDLU) Meeting
Vultee Conference Room, Sedona City Hall, Sedona, AZ
Wednesday, May 5, 2010 – 10:00 a.m.

1. Call to order and roll call

Chairman MacFarlane called the meeting to order at 10:04 a.m.

ROLL CALL:

Task Force Members: Chairman Anita MacFarlane, Vice Chairman Sandy Moriarty and task force members Brent Bitz, Larry Cepek, and Harve Stanley. Jerry Frey and Tony Hauserman - excused.

Staff Members: Audree Juhlin, Charles Mosley and Donna Puckett

2. Approval of the April 19, 2010 minutes

The Chairman asked if there was a motion to approve the April 19th minutes.

MOTION: Vice Chairman Moriarty so moved. Harve Stanley seconded the motion. VOTE: Motion carried five (5) for and zero (0) opposed. (Hauserman excused, and Frey excused and non-voting)

3. Discussion/possible action regarding WEDLU's Final Report to Council on May 11, 2010

Chairman MacFarlane indicated that she and Audree have been over this umpteen times, so if you saw any errors let them know. We are scheduled to give a report to the current Council on May 11th and we had to change the recommendations, because we aren't able to inject B+ water for the sampling. First, we have to get the plant up to A+, so we are recommending that we install the extra UV and filters to get to A+ on the 1.2 that we have now. The Chairman then asked if there was any more discussion on that or any other comments.

Brent Bitz asked if someone from City staff is going to talk about the financing side, because how that fits into the Wastewater Fund would certainly be important for the public. We haven't addressed that, but somebody should. Charles Mosley explained that he hadn't planned on having someone from Finance talk about the financial implications. He thought we would just present our report; the discussion about the financial implications would probably take longer, because we would be saying here is what we have and here are the alternatives. He can talk with Alison and Barbara, but he doesn't think the timeframe is right, given what they are doing with the budget, other than just saying that in the 5-year plan, we have X amount of dollars allocated for this, which is something we have known for a long time. There is basically \$10 million allocated in the Wastewater Plan for this effort, so when and if we start going over that, they would have to reallocate, and a lot of the rate just approved was based on that projection of \$10 million. The Chairman then indicated that much is in the fund, so we can start utilizing it to start the process.

Audree Juhlin indicated that Chairman MacFarlane and Charles Mosley would be presenting, so they could say what was just discussed. Charles Mosley indicated that after we present, and with a heads-up to Barbara and Alison, they could probably say that within the 5-year plan, this is what we have for the project, and the implication is that if you go over that, you would have to relook at how you would fund something much larger, but right now, we don't know. Charles added that a quick cost comparison could be derived from the report based on the various alternatives, and that may

come up, but that is something the Council has to decide. The issue of saying we are going to spend X amount of dollars to do the research to set the criteria could come up, as to why we don't just jump over to the Verde River. Chairman MacFarlane indicated that is also the reason that we need to start developing the scope of work and get more firm figures from Carollo. Charles estimated that we won't be able to do that until after the meeting, but he did talk with Carollo and they're willing to be at the meeting to answer questions. He told them another reason for them to be at the meeting was when we start negotiating a contract, they would know what the Council said.

Larry Cepek referenced the previous discussion about retaining flexibility for Carollo and staff, and it would be good for Carollo to be at the meeting, because it would give them a chance, from a marketing standpoint, to talk to the Council members. Larry then asked if the new rate increase will go up annually with the cost of living and Charles stated no, there is a schedule of increases predicted, such as 15%, 15%, 10%, and then there would be a review in 3-5 years to determine if we are on schedule, because the rate could change up or down. If the Council decides to go to a higher cost option than envisioned, they could review it, but a higher cost on this doesn't automatically mean that it would result in a higher rate, because some bids could come in lower, for example, for solids handling, so those occurrences are factored. Larry noted that you could find yourself in a worse position if EPA or ADEQ came out with some new rulings. Chairman MacFarlane agreed if they came up with new regulations for drugs, etc., we would have to deal with it at that time, but we wouldn't be alone.

Vice Chairman Moriarty indicated she would be interested in hearing the changes since the last meeting, besides what we just talked about. Chairman MacFarlane explained that ADEQ indicated we couldn't inject B+ water for the sampling, and those were the only changes. Audree confirmed that the changes we discussed at the last meeting were incorporated, such as the flexibility, etc., and we changed the recommendation to wetlands to agree with quality, and then we would start the injection process, if necessary. The Vice Chairman asked where it is on the agenda and Audree explained that she hasn't seen the agenda yet.

Chairman MacFarlane asked if the report from Arizona Water is still on there and Audree explained that the Mayor asked that it be pulled, so it is not on there. Audree indicated that agenda item 8 would be earlier, and the Chairman noted it said time to present is 15 minutes. Charles clarified that is for us to talk and Audree added that she thought it was agendaized for about an hour total. Charles indicated there is another item on the agenda that proposes to not make extensions to the sewer system through the year 2014, because Carollo pointed out that the plant capacity is 1.5 instead of 2 million based on their examination of loading. After receiving that information, we checked on our level of commitments, in terms of how much area we have sewerage and what that meant, and we saw that we are at about 1.63, so with everyone built out, we are pretty much at our level for the plant's management. It will be a controversial item; one person is already pretty upset.

The Chairman asked what areas would be next after the Chapel and Charles explained that was going to be a whole issue to address. When we made the last major update of Chapter 13, we let that lie, because we hadn't done enough research and it would clouded the other issues that needed to be dealt with at that time. Then this happened, so we are still talking about how and when the City would extend, but now the inclination is not to pursue an extension policy as vigorously as we had been, and there is some thought of the City saying if you want the sewer extended to your area before we get around to it, then you need to pay for it by doing a Special Improvement District, and that could become the policy period, so we wouldn't be doing it out of General Fund money. Those issues are still out there and haven't been fully vetted with the Council, and no one is ready right now to take that to Council.

Brent Bitz asked if not extending the sewer system could have an impact on the timing of what is being recommended, since we won't be facing the critical need to get to 2 million gallons and Charles Mosley indicated no, it works the other way around; the argument would be that you are telling new developments in certain areas that might extend the sewer on their own, that they can't until improvements are made at the plant, so are you hindering development of larger parcels within the City, and you already know that you need to do this, if you are going to A+. It is just a question of sizing, so let's get on with it. Brent Bitz indicated that this then could be an economic development argument as opposed to the opposite, and Charles Mosley agreed and indicated that is what one person is upset about.

Chairman MacFarlane reported that the Committee is first on the agenda after the consent items, and they estimate it would be from 5:00 p.m. to 6:00 p.m.; however, the fourth item could take some time. Audree reminded the Committee members that they could come early, because they are having the Council's going away party at 4:00 p.m. Brent Bitz asked if this is the last meeting of the old Council and Chairman MacFarlane indicated yes. Audree explained that they will start the meeting on the 25th, and then they change seats.

Charles Mosley stated that Carollo is still looking at the injection and asking where we can get the water for testing, etc., but he didn't want to cloud the report by talking about all of their ongoing efforts; there are issues and cost issues that we don't know about, like they say we could run a short-term test, but he has concerns about that in light of the rapid infiltration basin history that kind of blew up on us, and he has expressed that to them. They were also looking at using the existing well and he explained his concerns about that, because it would use the existing potable well and how would that affect the tests they were doing on injection, but he didn't want to raise those options until he got some clarifications. Chairman MacFarlane explained that Charles wanted them to drill another well, but Charles clarified that they wanted to use the water from the potable well for the test, and we've never tried to draw that much, then they said we could do tank storage, when they run the test, but we don't know the cost of the tanks, etc., and it would have to be A+ water. There are just too many questions to cloud this with things like that, and he will caution them about that.

Larry Cepek noted that sometimes engineering is trial and error, and Chairman MacFarlane noted that it is sometimes hard for laypeople to understand that you can't just barrel ahead and go one direction without having to make changes as you do. Charles indicated that the biggest thing is that some members of Council may start pushing to just go to the Verde River, because that seems like a sure thing, but he would still suggest doing the wetlands even in that event, because it goes along with the concept of multiple uses of water. Chairman MacFarlane also noted that it would develop some community benefit, rather than just sending in to the Verde. Charles Mosley agreed that it has to be clear that we have always said that the wetlands have other benefits, as does injection.

Brent Bitz stated that unless we enter into an agreement with SRP or someone else before the water is pumped into the river, we would lose all economic or sustainable value of the water, and Charles Mosley noted that we were told we could always come back later to negotiate some agreement with a third party, but it seems a little more dicey with SRP in the picture. Chairman MacFarlane agreed and pointed out that we don't want to argue with SRP if we don't have to.

No legal action was taken.

4. Discussion/possible action on future meeting dates and agenda items

Chairman MacFarlane indicated that whether the Committee meets again or not depends on what the Council decides, but we will have to give the report to the new Council. They need to

understand this, so she is going to recommend that they have a work session, so we can present it to them and have a dialogue for them to better understand the history and ramifications of the various things we might propose. Larry Cepek noted that this is also a big dollar item and the Chairman agreed that it is a lot of money for them to contemplate spending, but we will wait and see what the Council does and see if we need another meeting. They wanted to make some changes with commissions and committees, so this might be a chance for them to say they can get rid of us.

Charles Mosley indicated that as he recalls, the Committee was formed by appointment, so he doesn't know if that will factor into it, because even if they decided to continue WEDLU, it isn't representative of the new Council, and the Chairman indicated that she didn't have a problem with that . . . it is their baby now. Larry Cepek stated goodbye and good luck! Charles Mosley and Chairman MacFarlane thanked all of the members for their contributions to the Committee.

5. Adjournment

The Chairman called for adjournment at 10:34 a.m., without objection.

I certify that the above is a true and correct summary of the meeting of the Wastewater Effluent Disposal and Land Use Task Force (WEDLU) held on May 5, 2010.

Donna A. S. Puckett, *Recording Secretary*

Date